Manitoba

Annual Report
The Year Ending June 30, 2000

The Public Schools Finance Board

Includes 10% post-consumer waste

101-02749/

MINISTER OF EDUCATION AND TRAINING

Room 168
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
Peter Liba, C.M.
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I present herewith the annual report of the Public Schools Finance Board for the fiscal year ending June 30, 2000.

Sincerely,

Honourable Drew Caldwell

Manitoba Education and Training

Public Schools Finance Board

506 - 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3
Fax No.: (204) 948-2001

December 6, 2000

The Honourable Drew Caldwell
Minister of Education and Training
168 Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Sir:

Pursuant to Section 13 of The Public Schools Finance Board Act, on behalf of The Public Schools Finance Board, I have the honour of submitting the attached document for your review and consideration.

This annual report of The Public Schools Finance Board is for a twelve-month period ending June 30, 2000.

Yours sincerely,

Ben Zaidman
Chair
Public Schools Finance Board

MAJOR CAPITAL CONSTRUCTION PROJECTS
Approved during July 1999 - June 2000

School Division/School	Project
#1 Winnipeg	
Children of the Earth High School	addition
Adult Education Centre	addition and renovations
Kelvin High School	addition and renovations
#2 St. James-Assiniboia	
St. James Collegiate	addition
#6 St. Vital	
Mountbatten School	renovations (Aging Buildings Program)
#9 River East	
Prince Edward School	addition and renovations
#12 Transcona-Springfield	
Springfield Middle School	addition and renovations
#13 Agassiz	
Beausejour Elementary	addition and renovations (Aging Buildings Program)
#15 Hanover	
South Oaks Elementary	addition and renovations
#18 Rhineland	
Gretna Elementary	addition and renovations
#40 Brandon	
J.R. Reid School	addition and renovations
Linden Lanes School	addition and renovations
#41 Fort La Bosse	
Virden Collegiate	addition (Aging Buildings Program)
#42 Souris Valley	
Hartney School	addition
#49 Division scolaire franco-manitobaine	
École communautaire Réal-Bérard	addition and renovations

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of The Public Schools Finance Board as at June 30, 2000 and the statement of revenue and expenditure and education support fund for the year then ended. These financial statements reflect the education program costs administered through the Public Schools Finance Board and the funding provided for this program from the Department of Education and Training and from municipal corporations. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements.

Larry Unryn

Winnipeg, Manitoba
October 27, 2000

Larry Unryn, CA
for the Provincial Auditor

PUBLIC SCHOOLS FINANCE BOARD

MANAGEMENT REPORT

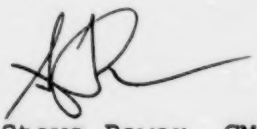
The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to September 25, 2000. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information. These internal controls also provide for the safeguarding of the Board's assets.

The responsibility of the Provincial Auditor and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Board has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

On Behalf of Management



Steve Power, CMA

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
As at June 30, 2000

ASSETS	2000	1999
	(in thousands of dollars)	
Cash	$ 1,718	$ 903
Funds on deposit with the Province of Manitoba	136	1,575
Accounts receivable:		
Province of Manitoba	14,810	14,906
Municipal corporations - education support levy	122,242	119,750
Other	2,387	578
	$ 141,293	$ 137,712

LIABILITIES AND EDUCATION SUPPORT FUND		
Support payable to school divisions	$ 4,609	$ 5,002
Accrued interest	2,361	1,915
Notes payable on demand, at bank prime, Province of Manitoba	132,683	128,561
Other payables	104	137
	139,757	135,615
Education Support Fund	1,536	2,097
	$ 141,293	$ 137,712

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
and Education Support Fund
for the year ended June 30, 2000

	2000	1999
	(in thousands of dollars)	
Revenue:		
Province of Manitoba Schools Finance Program	$ 581,851	$ 551,596
Municipal corporations, education support levy	202,027	198,943
Sale of school properties and miscellaneous revenue	26	359
	783,904	750,898
Expenditure:		
Operational support program (Note 3)	714,773	681,716
Capital support program (Note 4)	64,616	64,763
Administrative and other expenses (Note 5)	5,076	4,168
	784,465	750,647
Excess (deficiency) of revenue over expenditure	(561)	251
Education Support Fund Balance, beginning of year	2,097	1,846
Balance, end of year	$ 1,536	$ 2,097

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
June 30, 2000

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April, 1967.

The Board is responsible for receiving all monies paid to the Education Support Fund for the financing of public schooling in Manitoba. It administers the Capital Support Program including the determination and the disbursement of all capital grants provided to Manitoba school divisions under the Program. The Board also issues payments to Manitoba school divisions under the Operational Support Program in amounts as determined by the Minister of Education and Training.

The Public Schools Act and its Regulations govern the Education Support Fund.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support, which is expensed on a cash basis.

(b) The education support levy is assessed against municipal corporations on a calendar year basis. The Board applied 40% of the 1999 levy to the July to December period and 60% of the 2000 levy to the January to June period.

3. Operational Support Program

	2000	1999
	(in thousands of dollars)	
Support for Recognized expenditures	$ 381,256	$ 368,799
Occupancy	76,078	75,640
Special needs - Level I	43,349	42,546
Counselling and guidance	9,142	8,886
Library services	15,570	15,264
Professional development	4,733	3,734
Transportation	36,042	35,365
Board and Room	944	934
Special needs	50,325	46,734
Technology (Vocational) education	7,200	7,065
English as a second language	2,497	2,174
English language enrichment for native students	5,158	4,800
Heritage language	226	221
French Language Programs/Instruction	5,247	5,286
Programme d'accueil	330	330
Small schools	1,933	1,933
Curricular materials	9,115	8,953
Students at Risk	11,470	10,022
Early identification	249	248
Distance education	133	133
Decreasing enrolment	1,172	1,221
Remoteness allowance	2,189	2,245
Red River Vocational Coordinator	45	45
New school	15	248
Supplementary support	34,195	31,413
Early Literacy	4,639	2,692
Information Technology	7,292	1,791
Early Behaviour Intervention	1,989	-
Adjustment of previous years' support to school divisions from estimated to actual	(3)	(161)
Supplementary Guarantee	0	955
Misc (Pipeline)	(36)	-
Vocational equipment replacement	2,200	2,200
Vocational equipment establishment	79	-
	$ 714,773	$ 681,716

4. Capital Support Program

	2000	1999
	(in thousands of dollars)	
Debt servicing	$ 56,082	$ 56,063
Other capital projects	8,534	8,700
	$ 64,616	$ 64,763

As at June 30, 2000, the approved outstanding debenture debt of school divisions was $378,378,379 (1999 - $352,527,787). The Board has not, however, assumed legal liability related to the repayment of such long-term debt and, therefore, this amount is not reflected in the financial statements.

During the course of the year, school divisions raised an additional $44,125,000 to finance capital expenditures (1999 - $31,008,000) by the issuance of debentures purchased by the Minister of Finance.

5. Administrative and other expenses

	2000	1999
	(in thousands of dollars)	
Board members' indemnities	$ 88	$ 91
Staff salaries	520	498
Professional services	100	93
Service Agreement	169	169
Meetings and travel	55	58
Printing, stationery, postage and supplies	39	44
Desktop Management	46	27
Computers, software and minor equipment	4	3
Telephone and fax	10	10
Rent	36	35
Interest charges on notes payable to the Province of Manitoba	4,009	3,140
	$ 5,076	$ 4,168

6. Commitments

As at June 30, 2000, the Board had commitments of $5,927,444 (1999 - $3,004,977). Included in this amount is $4,411,160 of commitments which have been provided for in appropriations included in the 2000/01 estimates of the Province of Manitoba (1999 - $1,851,182). The balance of $1,516,284 as at June 30, 2000(1999 - $1,153,795) are committed from the Education Support Fund balance.

7. Changes in Financial Position

A statement of changes in financial position has not been included because, in the opinion of management, it would not provide any meaningful additional information.

8. Related Party Transactions

The Board is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Board enters into transactions with these entities in the normal course of business.

9. Pension Costs and Obligations

The Board's employees are eligible for membership in the provincially operated Civil Service Superannuation Plan. The pension liability for Board employees is included in the Province of Manitoba's liability for the Civil Service Superannuation Fund. Accordingly, the Board and its employees reflect no provision in the financial statements relating to the effects of participation in the pension plan.